



BNP PARIBAS ASSET MANAGEMENT EUROPE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS STATEMENT 2025

June 2026



For the purposes of this statement, the following definitions shall apply:

- (1) 'scope 1, 2 and 3 GHG emissions' means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council¹;
- (2) 'greenhouse gas (GHG) emissions' means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council²;
- (3) 'weighted average' means a ratio of the weight of the investment by the financial market participant in an investee company in relation to the enterprise value of the investee company;
- (4) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (5) 'companies active in the fossil fuel sector' means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council³;
- (6) 'renewable energy sources' means renewable non-fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;
- (7) 'non-renewable energy sources' means energy sources other than those referred to in point (6);
- (8) 'energy consumption intensity' means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;
- (9) 'high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council⁴;
- (10) 'protected area' means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);
- (11) 'area of high biodiversity value outside protected areas' means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council⁵;

¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

² Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

⁴ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

⁵ Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).



- (12) 'emissions to water' means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council⁶ and direct emissions of nitrates, phosphates and pesticides ;
- (13) 'areas of high water stress' means regions where the percentage of total water withdrawn is high (40-80%) or extremely high (greater than 80%) in the World Resources Institute's (WRI) Water Risk Atlas tool "Aqueduct";
- (14) 'hazardous waste and radioactive waste' means hazardous waste and radioactive waste;
- (15) 'hazardous waste' means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council⁷ ;
- (16) 'radioactive waste' means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom⁸;
- (17) 'non-recycled waste' means any waste not recycled within the meaning of 'recycling' in Article 3(17) of Directive 2008/98/EC;
- (18) 'activities negatively affecting biodiversity-sensitive areas' means activities that are characterised by all of the following:
- (a) those activities lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated;
 - (b) for those activities, none of the conclusions, mitigation measures or impact assessments adopted pursuant to any of the following Directives or national provisions or international standards that are equivalent to those Directives have been implemented:
 - (i) Directive 2009/147/EC of the European Parliament and of the Council⁹;
 - (ii) Council Directive 92/43/EEC¹⁰;
 - (iii) an Environmental Impact Assessment (EIA) as defined in Article 1(2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council¹¹;
 - (iv) for activities located in third countries, conclusions, mitigation measures or impact assessments adopted in accordance with national provisions or international standards that are equivalent to the Directives and impact assessments listed in points (i), (ii) and (iii);
- (19) 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139¹²;
- (20) 'threatened species' means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

⁶ Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

⁷ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

⁸ Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

⁹ Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7).

¹⁰ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7).

¹¹ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 026, 28.1.2012, p. 1).

¹² Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).



- (21) 'deforestation' means the temporary or permanent human-induced conversion of forested land to non-forested land;
- (22) 'UN Global Compact principles' means the ten Principles of the United Nations Global Compact;
- (23) 'unadjusted gender pay gap' means the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees;
- (24) 'board' means the administrative, management or supervisory body of a company;
- (25) 'human rights policy' means a policy commitment approved at board level on human rights that the economic activities of the investee company shall be in line with the UN Guiding Principles on Business and Human Rights;
- (26) 'whistleblower' means 'reporting person' as defined in Article 5(7) of Directive (EU) 2019/1937 of the European Parliament and of the Council¹³;
- (27) 'inorganic pollutants' means emissions within or lower than the emission levels associated with the best available techniques (BAT-AEL) as defined in Article 3, point (13) of Directive 2010/75/EU of the European Parliament and of the Council¹⁴, for the Large Volume Inorganic Chemicals- Solids and Others industry;
- (28) 'air pollutants' means direct emissions of sulphur dioxides (SO₂), nitrogen oxides (NO_x), non-methane volatile organic compounds (NMVOC), and fine particulate matter (PM_{2.5}) as defined in Article 3, points (5) to (8), of Directive (EU) 2016/2284 of the European Parliament and of the Council¹⁵, ammonia (NH₃) as referred to in that Directive and heavy metals (HM) as referred to in Annex I to that Directive;
- (29) 'ozone depletion substances' mean substances listed in the Montreal Protocol on Substances that Deplete the Ozone Layer.

For the purposes of this Annex, the following formulas shall apply:

- (1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

- (2) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

- (3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

¹³ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L305, 26.11.2019, p. 17).

¹⁴ Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17).

¹⁵ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (Text with EEA relevance), OJ L 344, 17.12.2016, p. 1–31



$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

- (4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{The country's Scope 1, 2 and 3 GHG emissions}_i}{\text{Gross Domestic Product}_i(\text{€M})} \right)$$

- (5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((\text{Value of real estate assets built before 31/12/2020 with EPC of C or below}) + (\text{Value of real estate assets built after 31/12/2020 with PED below NZEB in Directive 2010/31/EU}))}{\text{Value of real estate assets required to abide by EPC and NZEB rules}}$$

For the purposes of the formulas, the following definitions shall apply:

- (1) 'current value of investment' means the value in EUR of the investment by the financial market participant in the investee company;
- (2) 'enterprise value' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalisation of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents;
- (3) 'current value of all investments' means the value in EUR of all investments by the financial market participant;
- (4) 'nearly zero-energy building (NZEB)', 'primary energy demand (PED)' and 'energy performance certificate (EPC)' shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council¹⁶.

¹⁶ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)



STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Financial market participant [BNP PARIBAS ASSET MANAGEMENT Europe (W51AX6427FJZJFPF8H34)]

IMPORTANT INFORMATION: *Following the integration of BNP Paribas Asset Management (BNPP AM), AXA Investment Managers (AXA IM) and BNP Paribas Real Estate Investment Management (BNPP REIM), we are currently working to develop a new sustainability approach. This document applies to the eligible investment portfolios managed by BNPP AM Europe in 2025 and before the integration. The next annual update of the document will incorporate the joint approach and policies being developed. For the latest applicable policies, please visit this page on our website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate English](#)*

For information on the application of any sustainability policy to a specific fund (including applicable methodology), please refer to the product's legal documentation. These documents can be found on the relevant Funds pages available on our website.

Summary

BNP PARIBAS ASSET MANAGEMENT Europe, W51AX6427FJZJFPF8H34 considers the principal adverse impacts (“PAIs”) of its investment decisions on sustainability factors. The present document is the consolidated statement on principal adverse impacts on sustainability factors of BNP PARIBAS ASSET MANAGEMENT Europe and its subsidiaries namely BNP PARIBAS ASSET MANAGEMENT Europe, Belgian Branch and BNP PARIBAS ASSET MANAGEMENT Europe, Netherlands Branch as required under Article 4 of the REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability-related disclosures (SFDR) in the financial services sector.

This statement on principal adverse impacts on sustainability factors covers the reference period from January 1st to 31 December 2025.

As a broadly diversified global asset manager, BNP PARIBAS ASSET MANAGEMENT Europe's adverse impacts are primarily indirect, through the entities in which we invest. We embrace our responsibility to identify and mitigate the 14 mandatory Corporates PAIs, 3 voluntary Corporates PAIs and the 2 Sovereigns PAIs.

BNP PARIBAS ASSET MANAGEMENT Europe is an entity of BNP Paribas Asset Management, the asset management business of the BNP Paribas Group (“BNPP AM”).

The different pillars of BNPP AM approach to investing sustainably (i.e. Forward-looking perspective, Responsible Business Conduct, ESG integration, Stewardship, Sustainability in our product range) are contributing to consider the PAIs. These pillars are further described in our [2025 Sustainability Report](#).



Our policy framework for identifying and addressing adverse impacts is based on 1) our Responsible Business Conduct (RBC) Policy, which identifies for exclusion industries and behaviours that present a high risk of adverse impacts in violation of international norms; 2) our ESG Integration Guidelines, which helps our investment teams identify ESG risks, including those related to PAI; and 3) our 2025 Stewardship Policy setting out how we exercise our voting rights as a responsible steward and engage with issuers.

In order to identify and assess principal adverse impacts, we rely on our ESG research analysis and findings which are independent and based on a wide variety of sources not limited to ESG data providers.

Our Stewardship activities contribute to considering and addressing the different PAIs. In 2025, our Stewardship approach was based on the following engagement strategies: (i) engagement linked to voting; (ii) thematic engagement, with a focus on the ‘3Es’ (Energy transition, healthy Ecosystems, and Equality); and (iii) engagement linked to issuer performance. This includes provisions for escalation when engagement produces insufficient progress.

BNPP AM recognises that in many situations addressing principal adverse impacts on society and the environment requires a collective effort and therefore adheres as much as possible to responsible business conduct codes and internationally recognized standards.

The following ranges are used for the effective data coverage (i.e. data coverage divided by eligible assets): Low: 0-50 % / Medium: > 50-75% / High: > 75%. Note eligible assets for a specific PAI are categories of assets that are suitable to receive a non-NULL value for that specific PAI. For PAIs applicable to investments in investee companies, the eligible assets correspond to corporate investments excluding cash, derivatives and sovereign investments.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [2025]	Impact [2024]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	8 357 475 tCO2e	7 908 508 tCO2e	Effective data coverage: High While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information.	We committed to the Net Zero Asset Managers initiative in 2021 and from 2023 we started to report annually on our progress in a dedicated section of our <u>Sustainability Report</u> . As



					<p>BNPP AM has therefore decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p> <p>When comparing the 2025 figure with that of 2024, a slight upward trend can be observed, though it cannot be easily attributed to any specific factor.</p>	<p>part of our <u>Net Zero Roadmap</u>, we have intermediate targets of reducing our scope 1 and 2 emissions by 30% in 2025 and 50% by 2030 (from a 2019 baseline).</p> <p>Our <u>Responsible Business Conduct policy (RBC)</u> aims to reduce the exposure to GHG from fossil fuels through a thermal coal policy that seeks to exit coal in 2030 in EU and OECD countries & 2040 for the rest of the world. It also includes a strict policy on unconventional oil & gas.</p>
		Scope 2 GHG emissions	2 153 164 tCO2e	2 215 722 tCO2e	<p>Effective data coverage: High</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information.</p> <p>BNPP AM has therefore decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p> <p>When comparing the 2025 number to last year's figures a downward trend can be recognized</p>	<p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...) - Engage with companies, consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner - Advocate for net zero-aligned national and international climate policies



						For instance: we are part of the Climate Action 100+ initiative and are lead or colead on 9 companies worldwide, we apply climate considerations (linked to GHG emissions disclosure, climate lobbying...) to voting on key items like board discharge or re-elections.
		Scope 3 GHG emissions	142 164 697 tCO2e (rebased)	339 157 975 tCO2e (rebased) 27 111 342 tCO2e (non-rebased)	<p>Effective data coverage: Medium</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information and when they do it is usually not really comparable from one company to the other as there is a high divergence on the methodologies that can be applied on each subcategory of scope 3 emissions.</p> <p>While we previously focused on only reporting the highest quality data, there is a trade-off with coverage and we have started supplementing our data with the use of estimates, which is standard market practice for scope 3. Concretely, that means there was a data provider change for the scope 3 data. Previously, BNPP AM used CDP as a data provider but switched in 2025 to Trucost, which means that now</p>	<p>Efforts are underway to further evaluate Scope 3 GHG emissions data for inclusion in internal assessment frameworks.</p> <p>From a stewardship angle, we apply climate considerations including the disclosure of Scope 3 GHG emissions in material sectors (Energy, Utilities, Industrials, Materials, Real Estate, Consumer Goods, and Consumer Discretionary) to our voting activity and may sanction key voting items as a result. More details available in our Governance & Voting Policy.</p>



					<p>there is estimated data available in addition to the reported data. As a result of this change, the effective data coverage increased from low to medium with an effective coverage of approximately 50%, which makes the figures on Scope 3 emissions more meaningful.</p> <p>This change in data provider explains the volatility we observe in the year on year trend.</p> <p>Please also note that due to the change in the Scope 3 data provider, we only calculate this figure on a rebased basis for the FY 2025 as we no longer assume missing values to be at 0. The “rebased” value for this indicator which corresponds to values for which we have only taken into consideration issuers/instruments with available data, and issuer/instruments without available data (“NULL”) have not been taken into consideration. It means we have extrapolated the average scope 3 GHG emissions available to all eligible assets, despite the very low coverage and associated limited confidence in this data. This rebased scope 3 GHG emissions aims at providing a conservative value.</p>	
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		Total GHG emissions	150 971 643 tCO2e	37 235 571 tCO2e	<p>Effective data coverage: Medium</p> <p>There was a data provider change for the scope 3 data. Previously, BNPP AM used CDP as a data provider but has now switched to Trucost, which means that now there is estimated data available in addition to the reported data. As a result of this change, the effective data coverage increased from low to medium with an effective coverage of approximately 50%, which makes the figures on Scope 3 emissions more meaningful.</p> <p>This data provider change explains the significant increase in the total GHG emissions when comparing the 2025 figure to the 2024 one.</p> <p>Please also note that due to the change in the Scope 3 data provider, we only calculate this figure on a rebased basis for the FY 2025 as we no longer assume missing values to be at 0.</p>	<p>We committed to the Net Zero Asset Managers initiative in 2021 and from 2023 we started to report annually on our progress in a dedicated section of our Sustainability Report. As part of our Net Zero Roadmap, we have intermediate targets of reducing our scope 1 and 2 emissions by 30% in 2025 and 50% by 2030 (from a 2019 baseline).</p> <p>Our Responsible Business Conduct policy (RBC) aims to reduce the exposure to GHG from fossil fuels through a thermal coal policy that seeks to exit coal in 2030 in EU and OECD countries & 2040 for the rest of the world. It also includes a strict policy on unconventional oil & gas.</p> <p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...) - Engage with companies, consistent with our ambition for all assets under
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						<p>management to achieve net zero emissions by 2050 or sooner</p> <ul style="list-style-type: none"> - Advocate for net zero-aligned national and international climate policies <p>For instance: we are part of the Climate Action 100+ initiative and are lead or colead on 9 companies worldwide; we apply climate considerations to our voting activity on key items like board discharge or reelections. Such considerations include but are not limited to the disclosure of GHG emissions (including Scope 3 for material sectors), climate lobbying, etc.</p> <p>Efforts are underway to further evaluate Scope 3 GHG emissions data for inclusion in internal assessment frameworks.</p>
	2. Carbon footprint	Carbon footprint	413 tCO2e/m€	107 tCO2e/m€	<p>Effective data coverage: Medium</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information.</p> <p>For Scope 1 & 2, BNPP AM has decided to supplement corporate disclosure with estimation methods, in order to provide</p>	<p>We measure the carbon footprint of our portfolios, and aim to hold portfolios with more positive ESG characteristics than their respective (invested) benchmarks. This includes holding some portfolios with a smaller carbon footprint than their respective (invested) benchmarks as per our ESG</p>



				<p>better reporting of our environmental impact and to support carbon measurement in the absence of reported data.</p> <p>While we previously focused on only reporting the highest quality data, there is a trade-off with coverage and we have started supplementing our data with the use of estimates, which is standard market practice for scope 3. Concretely, that means there was a data provider change for the scope 3 data. Previously, BNPP AM used CDP as a data provider but has now switched to Trucost, which means that now there is estimated data available in addition to the reported data. As a result of this change, the effective data coverage increased from low to medium with an effective coverage of approximately 50%, which makes the figures on Scope 3 emissions more meaningful.</p> <p>The change of data provider explains the significant increase of the carbon footprint compared to last year.</p> <p>Please also note that due to the change in the Scope 3 data provider, we only calculate this figure on a rebased basis for the FY 2025 as we no longer assume missing values to be at 0.</p>	<p><u>Integration Principles and Guidelines.</u></p> <p>From a stewardship angle, we have committed to:</p> <ul style="list-style-type: none"> - Vote for corporate climate action (supporting thoughtful climate shareholder proposals, opposing strategic items at corporates not respecting our climate expectations...) - Engage with companies, consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner - Advocate for net zero-aligned national and international climate policies <p>For instance: we are part of the Climate Action 100+ initiative and are lead or co-lead on 9 companies worldwide, we apply climate considerations (linked to GHG emissions disclosure, climate lobbying...) to voting on key items like board discharge or reelections.</p>
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	<p>3. GHG intensity of investee companies</p>	<p>GHG intensity of investee companies</p>	<p>923 tCO2e/m€</p>	<p>121 tCO2e/m€</p>	<p>Effective data coverage: Medium</p> <p>While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work, most companies worldwide still do not disclose this information.</p> <p>For Scope 1 & 2, BNPP AM has decided to supplement corporate disclosure with estimation methods, in order to provide better reporting of our environmental impact and to support carbon reduction in the absence of reported data.</p> <p>While we previously focused on only reporting the highest quality data, there is a trade-off with coverage and we have started supplementing our data with the use of estimates, which is standard market practice for scope 3. Concretely, that means there was a data provider change for the scope 3 data. Previously, BNPP AM used CDP as a data provider but has now switched to Trucost, which means that now there is estimated data available in addition to the reported data. As a result of this change, the effective data coverage increased from low to medium with an effective coverage of approximately 50%, which makes the figures on Scope 3 emissions more meaningful.</p>	<p>Our <u>proprietary ESG rating methodology</u> includes several indicators related to GHG emissions intensity such as the carbon intensity trend or some sector-specific carbon intensity. In addition, our net zero commitment will lead us to increase engagement activities and reduce exposure progressively.</p>
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					<p>The change in data provider explains the significant increase in the total figure compared to last year.</p> <p>Please also note that due to the change in the Scope 3 data provider, we only calculate this figure on a rebased basis for the FY 2025 as we no longer assume missing values to be at 0.</p>	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3%	4%	<p>Effective data coverage: High</p> <p>Identification of companies active in the fossil fuel sector has been achieved based on the percentages of revenue derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of thermal coal, natural gas and oil above 0%.</p> <p>The underlying data is not identifying companies involved in “distribution of gas” but BNPP AM is engaging with the data provider in order to assess the feasibility of capturing this activity in the near future.</p> <p>This indicator decreased from 4% to 3.33% during the reporting period.</p> <p>Note that we did not “rebase” this indicator, meaning that for the eligible assets for which we did</p>	<p>As per our RBC policy, there are significant restrictions to invest in companies involved in thermal-coal mining and power generation, as well as unconventional oil and gas. Criteria regarding these exclusions are available in our RBC Policy.</p> <p>Our net zero commitment will lead us to increase engagement activities and reduce exposure progressively. Please refer to our Net Zero Roadmap.</p>



					not have data, we assumed the value to be 0.	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Share of non-renewable energy consumption : 53% Share of non-renewable energy production: 58%	Share of non-renewable energy consumption : 54% Share of non-renewable energy production: 61%	<p>Effective data coverage: Medium (Consumption) Effective data coverage: Low (Production)</p> <p>This PAI is actually two indicators in one: Production and consumption. The production indicator is only relevant to energy producers (e.g. utilities). The consumption indicator is more broadly applicable across sectors. Both production and consumption information are inconsistently disclosed by market actors though coverage ratios tend to be much higher for consumption.</p> <p>The consumption indicator decreased slightly from 54% to 53% during the reporting period. The production indicator also slightly decreased from 61% to 57.98%.</p> <p>The underlying data used is based on reported data only and the exhibited low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.</p>	<p>Our proprietary ESG rating methodology includes proxy indicators related to renewable energy use such as the robustness of renewable energy programmes, renewable energy use or the share of primary energy use coming from renewable energy.</p> <p>In addition, our ESG integration, engagement and RBC policies indirectly address this metric.</p>
	6. Energy consumption intensity per	Energy consumption in GWh per	A (agriculture, forestry and	A (agriculture, forestry and	Effective data coverage: Low An exact fit for this PAI does not exist since the exact split of	Our proprietary ESG rating methodology include indicators such as GHG



	<p>high impact climate sector</p>	<p>million EUR of revenue of investee companies, per high impact climate sector</p>	<p>fishing): 0.45 GWh/m€ B (mining and quarrying): 0.83 GWh/m€ C (manufacturing) : 0.26 GWh/m€ D (electricity, gas, steam and air conditioning supply): 2.06 GWh/m€ E (water supply; sewerage, waste management and remediation activities): 2.03 GWh/m€ F (construction): 0.14 GWh/m€ G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0.17 GWh/m€ H (transportation and storage): 1.16 GWh/m€ L (acommodation and food service activities): 0.52 GWh/m€</p>	<p>fishing): 0.44 GWh/m€ B (mining and quarrying): 0.77 GWh/m€ C (manufacturing) : 0.28 GWh/m€ D (electricity, gas, steam and air conditioning supply): 1.63 GWh/m€ E (water supply; sewerage, waste management and remediation activities): 1.83 GWh/m€ F (construction): 0.16 GWh/m€ G (wholesale and retail trade; repair of motor vehicles and motorcycles): 0.15 GWh/m€ H (transportation and storage): 1.13 GWh/m€</p>	<p>energy consumption per high impact climate sector is not provided by any data vendor. Therefore, an assumption has been made that one company belongs to its primary NACE and the total energy consumption figure is associated with this primary NACE code. Therefore, there is no sector-related split of energy consumption per company. While we observe some slight increases and some slight decreases in the different figures, the overall trend for all indicators remains stable and we do not observe any significant jumps in either direction.</p>	<p>emissions, GHG emissions intensity or GHG reduction programme which can be considered as indirect proxies since it covers scope 2 emissions, and therefore indirect emissions from purchased energy. In addition, our net zero commitments in particular through the reduction of the carbon footprint of our in-scope corporate investments (scopes 1 and 2) and through the alignment with net zero, induces a focus on the scope 2 emissions as well, and therefore tackles companies energy consumption intensity.</p>
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				L (accommodation and food service activities): 0.53 GWh/m€		
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	3%	3%	<p>Effective data coverage: High</p> <p>This PAI is not directly reported by companies and therefore the assessment is based on incidents research to identify negatively affecting activities performed by companies which then can be matched spatially to sensitive areas as defined by the Natura 2000 network of protected areas, the UNESCO World Heritage Sites as well as other protected areas referred to by the Delegated Regulation.</p> <p>This approach has the following limitations:</p> <ol style="list-style-type: none"> 1) The access to the Key Biodiversity Area (KBA) database is not public, hence reducing the possibility to match locations 2) An assessment of operations located in or near to biodiversity sensitive areas would require a spatial perspective which, as of now, is not available due to the lack of asset level databases. 	<p>Our proprietary ESG rating methodology includes proxy indicators related to the quality of programmes to protect biodiversity or incidents related to suppliers failures to protect biodiversity.</p> <p>In addition, our Biodiversity Roadmap and Biodiversity Roadmap 3Y update detail our initiatives to increase stewardship activities through individual/collective initiatives and voting.</p> <p>We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts and dependencies on nature for issuers with critical impacts on forests and freshwater. More details available in our Governance & Voting Policy.</p>



					<p>Hence, the only spatially explicit data that we use is provided by our vendor's incidents research.</p> <p>The exposure to biodiversity sensitive areas has decreased which is a positive trend compared to last year.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.000002 t/m€	0.000001 t/m€	<p>Effective data coverage: Low</p> <p>Most companies worldwide still do not disclose this information. Companies also inconsistently report pollutants.</p> <p>Data providers capture different emission types and there is some uncertainty about which should be considered as per the regulation.</p> <p>For these reasons, BNPP AM decided to employ a more conservative approach and get data from a data provider which captures a more comprehensive list of pollutants for the purpose of this metric: Direct emissions of nitrates, phosphate, and pesticides, and direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European</p>	<p>Our proprietary ESG rating methodology includes a proxy indicator related to the strength of a company's initiative to treat effluents generated through its production process.</p> <p>In addition, our Biodiversity Roadmap details our initiatives to increase stewardship activities through individual/collective initiatives and voting.</p> <p>We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts and dependencies on nature for issuers with critical impacts on forests and</p>



					<p>Parliament and of the Council (e.g., heavy metals, loads of organic pollutant parameters such as biochemical oxygen demand (BOD) and chemical oxygen demand (COD), nitrogen and phosphorus compounds).</p> <p>The exhibited very low coverage could lead to distorted reporting figures and make them difficult to interpret by market participants independently and in reference to other asset managers.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>Between 2024 and 2025 the indicator has slightly increased. However, given the low magnitude of the increase the indicator overall remains stable compared to last year.</p>	<p>freshwater. More details available in our Governance & Voting Policy.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.02 t/m€	0.96 t/m€	<p>Effective data coverage: Medium</p> <p>BNPP AM captures both hazardous and radioactive waste as reported by companies.</p> <p>We observe a slight increase of the indicator compared to last year.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did</p>	<p>Our proprietary ESG rating methodology includes a proxy indicator related to the strength of a company initiative to reduce hazardous waste from its own operations.</p> <p>In addition, our Biodiversity Roadmap details our initiatives to increase stewardship activities</p>



					not have data, we assumed the value to be 0.	through individual/collective initiatives and voting. We apply some biodiversity considerations to voting on key items like board discharge or reelections. Such expectations are mainly linked to corporate disclosure on key impacts and dependencies on nature for issuers with critical impacts on forests and freshwater. More details available in our Governance & Voting Policy .
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (MNE)	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (MNE)	0.00% (exact figure 0.00034%)	0.04%	Effective data coverage: Medium For this indicator there is wide variance across data vendors due to different assessment of the PAI. Most vendors rely on news article analysis and AI/NLP models in order to flag potential violations. In some cases, some data vendors perform a manual review in order to opine on the validation of the identified cases. BNPP AM employs a rigorous approach which consists of multiple layers of manual assessment performed by specialised research teams (both external and internal), company contact and engagement (in some cases) as well as additional	Our proprietary ESG rating methodology includes the consideration of several incidents related to the UNGC Principles and OECD MNEs guidelines. From a stewardship angle, we strive to engage with companies in violation (or at risk of violation) of one or more of the UNGC Principles or OECD MNEs. BNPP AM either engages with and/or excludes companies that are subject to serious controversies, in line with our Responsible Business Conduct (RBC) Policy . In addition, BNPP AM may oppose or abstain on items



					<p>governance layers and review committees which can further evaluate and challenge the final assessments.</p> <p>Please note that the performed assessment is based on all UNGC principles and OECD guidelines, including environmental norms.</p> <p>Note the non-zero figure here can be explained by the non-application of our RBC policies in some specific client mandates and/or the inclusion of a handful of issuers which can be considered to be in violation of the UNGC and OECD MNEs guidelines by our provider for this PAI but with which we are conducting active engagement aimed at improving company behaviour.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>We note that there has been a decrease of this indicator to 0.00034% for the Financial Year 2025.</p>	<p>where the company is implicated in serious violations of our Responsible Conduct Policy (RBC) – including violations of the UN Global Compact principles and/or our Sector Policies, linked to environmental and/or social risks. More details available in our Governance & Voting Policy.</p>
	11. Lack of processes	Share of investments in	29%	31%	Effective data coverage: High	Our proprietary ESG rating methodology includes



	<p>and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>		<p>For this indicator there is wide variance across vendors due to different interpretations of the PAI.</p> <p>Some vendors flag very few issuers as non-compliant with the PAI, whereas others flag almost all as non-compliant. Data providers reporting low figures typically rely on the existence of any policy to address UNGC principles or OECD guidelines, not policies to address all UNGC principles (and grievance mechanisms).</p> <p>Market reporting of this value could change dramatically in either direction based on future clarifications from regulators which may be forthcoming. In the meantime, we will only report this figure at the entity-wide level and rely on a more conservative interpretation of the PAI.</p> <p>Please note that the performed assessment is based on all UNGC principles and OECD guidelines, including environmental norms.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>several policy and programs indicators related to UNGC Principles and OECD MNEs guidelines.</p> <p>From a stewardship angle, we strive to engage with companies at risk of violation of one or more of the UNGC Principles or OECD MNEs. BNPP AM either engages with and/or excludes companies that are subject to serious controversies, in line with our Responsible Business Conduct (RBC) Policy.</p> <p>In addition, BNPP AM may oppose or abstain on items where the company is implicated in serious violations of our Responsible Conduct Policy (RBC) – including violations of the UN Global Compact principles and/or our Sector Policies, linked to environmental and/or social risks. More details available in our Governance & Voting Policy.</p>
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					This indicator decreased from 31% to 29% over the reporting period.	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	15%	9%	<p>Effective data coverage: Low</p> <p>Most companies worldwide still do not disclose this information.</p> <p>Some vendors attempt to report figures disclosed by companies which are not based on the exact regulatory definition which could lead to data inconsistencies and some vendors increase the coverage for this indicator by relying on figures provided by international companies' local branches and thus not fairly representing the truly global footprint of the company and the impact it has on this indicator.</p> <p>BNPP AM has decided to rely on reported figures which are strictly consistent with the regulatory definition and to not use proxy values.</p> <p>We observe an increase in the number reported in 2025 compared to the previous year.</p>	Our proprietary ESG rating methodology does not yet include an indicator directly related to gender pay gap due to data coverage concerns, but includes a proxy indicator related to the quality of a company's diversity programs. We published our Equality Roadmap in October 2024 which details our efforts to assess gender pay gaps and representation across our investments.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of	41%	39%	<p>Effective data coverage: High</p> <p>The underlying data is collected directly from companies (by our chosen data provider).</p> <p>When comparing the 2025 figure to last year's figure we observe an increase of the female to male ratio of board members, which is</p>	This criterion is embedded in our ESG scoring methodology and our Governance & Voting Policy . Indeed, as part of our voting activity, we have set gender diversity thresholds for board of directors, which have



		all board members			a welcomed positive development.	been reinforced gradually over time. On this basis, we can abstain or vote against a board candidate if the company has less than 40% of directors from the underrepresented gender (for mature markets), or less than 20% of directors from the underrepresented gender (for the other markets) More details available in our Governance & Voting Policy .
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	Effective data coverage: High Identification of companies involved in controversial weapons has been achieved based on research performed by the data provider and identifying evidence of activity and involvement in anti-personnel mines, cluster munitions and biological and chemical weapons. When comparing the 2025 number with the 2024 figure we can observe a stable trend year on year.	As per our RBC policy, we do not wish to invest in companies involved in the manufacture, trade or storage of 'excluded weapons', or any other activity involving excluded weapons. These include cluster ammunition and anti-personnel landmines, chemical and biological weapons, nuclear weapons, depleted uranium weapons, and white phosphorus munitions. See our RBC policy for further details Most of these weapons are covered by international conventions and investments are already prohibited in some jurisdictions.



Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	38 tCO2e/m€	35 tCO2e/m€	<p>Effective data coverage: High</p> <p>For Scope 1 & 2, BNPP AM has decided to use a dataset that combines country level reporting from multiple sources with estimation models that ensure that data is available for all countries across any given year.</p> <p>It has also been decided to include estimated emissions related to land use, land-use change and forestry (LULUCF) which leads overall to higher reported figures.</p> <p>We observe a slight increase in the disclosed number compared to the previous year.</p>	<p>Our proprietary ESG scoring framework for sovereigns assesses countries' commitment to reduce their GHG emissions to comply with the 2°C goal of the Paris Agreement, with regards to their Nationally Determined Contributions, and analyzes countries' policies adopted for tackling climate change. The scoring methodology also emphasises countries' climate commitments. The climate mitigation assessment evaluates the measures countries have in place to combat climate change. It supplements the evaluation of current climate performance, which is part of the ESG performance assessment.</p> <p>This component combines a quantitative assessment of the country's climate ambitions with a qualitative evaluation of the laws and policies it has in place to support those ambitions.</p>



						We target sovereigns through our engagement initiatives and more particularly around thematic bond issuance as sovereign bonds with climate related use of proceeds may contribute to decrease the carbon footprint of countries and increase avoided emissions.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	5 countries 4.7% (relative)	4 countries 3.6% (relative)	<p>Effective data coverage: High</p> <p>The definition of what constitutes a “social violation” as mentioned in this PAI is not explicitly described in the regulation.</p> <p>Other frameworks such as the Towards Sustainability label exist but are more prescriptive.</p> <p>Identification of countries subject to social violations has been achieved based on research performed by the data provider and identifying relevant controversies related to social topics. The social topics considered are the following: civil conflict, state repression, transnational conflict, violent crime, labour rights, discrimination.</p> <p>When comparing this year’s figures to last year’s we observe a slight increase. However, the overall trend remains stable.</p>	<p>Several indicators linked to social violations are embedded in our proprietary sovereign ESG scoring framework, including: Labour & Social Protection, Control of Corruption, Democratic Life, Security.</p> <p>We leverage on BNP Paribas Group’s internal Framework which identifies severe controversial countries that are flagged on a dedicated exclusion list.</p> <p>In addition, for some of our sustainability funds, such as those with the Towards Sustainability Quality Standard label and Verbändekonzept market practice, more stringent constraints apply.</p>



Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%	0%	Effective data coverage: Low A manual check is performed based on information provided by the borrower or sponsor. Any asset used to extract, transport or manufacture fossil fuels is considered as exposed. We observe a stable trend in the disclosed figures year on year.	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	The process to enable the production of this PAI is being setup in collaboration with an external data provider.	BNPP AM will rely either on estimated data provided by a data vendor or information provided by sponsors for real estate assets. When available, they will communicate energy efficiency documents (EPC) which enable to identify the inefficient part of the portfolio. A manual check will then be performed based on this information. When available, this data will be collected on new deals, past deals will be out of scope.
Greenhouse gas emissions	18. GHG emissions	Scope 1, 2, 3 GHG emissions generated by real estate assets	8 320 tCO ₂ e	121 332 tCO ₂ e	Effective data coverage: Low While GHG emissions disclosure has improved since BNPP AM began its carbon footprint work,	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.



					<p>most companies worldwide still do not disclose this information. This is even more problematic for Scope 3 GHG emissions.</p> <p>BNPP AM relies on estimated data provided by a data vendor for real estate assets.</p> <p>The Enterprise Value definition provided in Annex 1 above is not applicable to real estate assets. Therefore, the Investment Team relied on the following definition to calculate the Enterprise Value as Equity + Debt where:</p> <p>Equity:</p> <ol style="list-style-type: none">1) market capitalization (if the company is listed on a stock exchange)2) known equity sale price (if available), or3) known enterprise value (if available), or4) transaction multiples (P/E, EV/EBITDA, EV/EBIT, etc.) based on recent comparable M&A transactions5) If none of the above is available, book value of equity shall be considered <p>Debt: The investment team will use the outstanding debt and undrawn commitments.</p> <p>Absolute GHG emissions decreased as we have less</p>	
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					exposure to real estate projects in our portfolios.	
Energy consumption	19. Energy consumption intensity	Energy consumption intensity	0.000188 GWh/m ²	0.000219 GWh/m ²	<p>Effective data coverage: Low BNPP AM collects data regarding energy consumption in GWh of financed real estate assets per square meter from borrowers' reported data and if data is not available, estimates are being used instead.</p> <p>A given investment can be composed of several buildings with different energy consumptions. At the level of each investment, energy consumptions are weighted by square meters.</p> <p>We observe a decrease in the energy consumption intensity which is a positive development compared to last year's figure.</p> <p>Please note that the data is collected at the time of the investment for each asset and data are not updated any further since we are investing through private debts and don't have access to information after the due diligence is performed.</p>	These criteria are embedded into the dedicated ESG Qualitative assessment process for Private Debt in Commercial Real Estate.



Other indicators for principal adverse impacts on sustainability factors						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	56%	52%	<p>Effective data coverage: High</p> <p>The regulatory definition of this PAI raises some questions on the meaning of “aimed at aligning with Paris agreement” and “carbon emission reduction initiative”.</p> <p>BNPP AM took a conservative approach by considering only companies with targets aligned with the Paris agreement (<=2°C) as successfully passing this PAI.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0. We observe an increase in the overall figure compared to last year’s number.</p>	Through our Net Zero roadmap, our goal is to have 60% of BNPP AM’s corporate investments to be Achieving, Aligned or Aligning with Net Zero (NZ:AAA) by 2030.
Social and employee matters	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	1.0%	1.2%	<p>Effective data coverage: High</p> <p>Identification of companies with lack of supplier code of conduct has been achieved based on research performed by the data provider and identifying relevant evidence.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p>	<p>Our ESG scoring methodology includes an indicator related to the assessment of the scope of company social supplier standards.</p> <p>In addition, our ESG integration, Stewardship and RBC policies indirectly address this metric.</p>



					We observe a decrease compared to last year which is a positive trend.	
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy	2.9%	3.2%	<p>Effective data coverage: High Identification of companies with lack of Human Rights policy has been achieved based on research performed by the data provider and identifying relevant evidence.</p> <p>Note we did not “rebase” this indicator, meaning that for the eligible assets for which we did not have data, we assumed the value to be 0.</p> <p>We observe a decrease in this year’s number when comparing it to the 2024 figure, which is a positive trend.</p>	<p>We assess this exact indicator in our ESG scoring methodology through our human rights policy indicator. In addition, our ESG integration, engagement and RBC policies indirectly address this metric.</p>

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

BNPP AM Policy Framework to Address Adverse Impacts

Following the combination of BNPP AM, AXA IM and BNPP REIM, we are currently working to develop a new sustainability approach. A new BNPP AM sustainability strategy and roadmap (BNPP AM Global Sustainability Strategy, i.e. “GSS”) is being developed and will be published later in 2026 on BNPP AM website. Consequently, a new BNPP AM Policy Framework to Address Adverse Impact (including approach for identifying and assessing principal adverse impacts will be published in 2027 with the publication of the next Statement of BNPP AM and will cover BNPP AM, AXA IM and BNPP REIM legacy scopes.

For this year’s report, our policy framework addresses PAI in primarily three documents: 1) our [Responsible Business Conduct \(RBC\) Policy](#), which identifies for exclusion industries and behaviors that present a high risk of adverse impacts in violation of international norms; 2) our [ESG Integration Guidelines](#), which helps our investment teams identify ESG risks, including those related to PAI; and 3) our [2025 Stewardship Policy](#) and [2025 Governance and Voting Policy](#), setting out how we exercise our voting



rights as a responsible steward and engage with issuers.

Our approach to sustainability is managed by a company-wide governance framework. This framework ensures that our sustainability policies and practices are embedded and implemented appropriately throughout our business, and that any new initiative is well conceived, properly structured and delivered effectively. Several committees are set up to frame our sustainability policies:

- BNPP AM executive committee: strategic oversight of sustainability approach
- BNPP AM Sustainability Committee: oversees and validates our approach to sustainability
- BNPP AM Investment Committee: approves sustainability methodologies and monitors ESG integration
- BNPP AM Stewardship Committee: reviews voting and engagement policy and implementation
- BNPPAM Global Product Committee: Approves sustainability characteristics of products
- BNPPAM Executive CSR Committee: Oversees the implementation of our approach to Corporate Social Responsibility (CSR)

Our RBC Policy was last approved in April 2025 by the BNPP AM Sustainability Committee. It provides sector-specific guidance to identify and prioritise adverse impacts based on the nature of the economic activity, and in many cases, the geography in which these economic activities take place. These policies establish criteria for the exclusion of certain types of activities that present an unacceptable risk to society or the environment, such as tobacco or thermal coal production, as well as criteria for evaluating other activities, such as palm oil production, that are not strictly excluded but require closer scrutiny. They identify general areas where the risk of adverse impacts is more significant, and therefore help us in assessing investee companies operating within those sectors against predefined criteria.

Our RBC Policy also establishes a common framework for investments and economic activities through the implementation of the UN Global Compact (UNGC) Principles. As the Global Compact establishes broad, aspirational principles, a risk-based approach is taken at the issuer level to assess potential breaches of international standards based on available data. This analysis may result in the exclusion of a company from our actively managed portfolios, or it may lead to direct engagement with the issuer to obtain more information or attempt to influence the company's behaviors.

After the RBC Policy is applied, our ESG Integration Guidelines come into force, in which we articulate a series of commitments material to our consideration of PAI:

- ESG analysis of individual entities will concentrate on those factors deemed to be material for the respective sector by the Sustainability Centre, with input from the investment teams.
- We will typically avoid investing in a public entity without ESG analysis, with a process for qualitative ESG analysis available to investors. We maintain minimum coverage thresholds for article 8 and 9 funds (90% for developed markets and 75% for emerging markets, mid-small caps and high yield), performing qualitative ESG analysis in the absence of a quantitative ESG rating when thresholds are in breach. We will avoid investing in a privately owned entity without performing ESG due diligence (which could include qualitative analysis, or receiving a completed ESG questionnaire).
- In compliance with their investment strategies/legal documentation, we aim to hold portfolios with a higher ESG scores than their respective (invested) benchmarks.

We implement our ESG Integration Guidelines primarily by providing our investment teams with proprietary ESG scores. Our [ESG scoring framework](#) includes consideration of several PAI and PAI-adjacent indicators. Through our materiality heatmap, we identify ESG risks/themes that are material to each sector. Accordingly, the weight allocated to each risk/theme will vary depending on the relevance of this theme for a particular sector. We group the individual metrics in our ESG scoring framework into 11 common themes; however, the underlying metrics used to assess performance under each theme vary by sector. This enables us to ensure that the probability of occurrence and severity of these ESG risks and adjacent PAIs are appropriately assessed. The Risk team monitors of all the portfolios which apply the RBC and will halt in pre-trade, any



investments in excluded names. Risk also monitors portfolios applying ESG Integration Guidelines and monitor compliance with commitments made.

Our [2025 Stewardship Policy](#) and [2025 Governance and Voting Policy](#)¹⁷ were last approved by the Stewardship Committee in November 2024 (the 2025 Governance and Voting Policy was also approved by BNPP AM Europe Board of Directors on March 2025). They outline what we expect of public companies and how we carry out our ownership responsibilities. We are committed to being a 'future maker', using our investments and our ability to engage with companies and policymakers to advocate for low-carbon, environmentally sustainable and inclusive economies. The responsibility for the implementation of these policies lies with the Stewardship team within the Sustainability Centre that is tasked with covering the global scope of issuers in terms of voting and engagement. The team publishes reports annually on these activities.

- Voting at General Meetings (GMs) of listed public companies in which we invest is a key component of our stewardship practice and forms an integral part of BNPP AM's investment process. Our voting policy applies to BNPP AM and to all portfolios that have full delegated proxy voting authority to BNPP AM, including the voting rights associated with shares held in Undertakings for the Collective Investment of Transferable Securities (UCITS), alternative investment funds (AIF), foreign investment funds and investment mandates. We are committed to ensuring that these policies are consistently exercised across portfolios and markets. However, we take into account specific circumstances relating to individual companies such as geographic and regulatory differences, as well as size.
- We engage with companies in the context of voting at their shareholder meetings, coordinating such dialogue with portfolio managers, ESG analysts and stewardship analysts, so that final voting decisions feed into the qualitative elements of our ESG ratings.
- We believe that meaningful engagement with issuers enhances the long-term value of companies, can deliver better environmental and social outcomes and reduce issuers' impacts on the environment and society. Engagement is undertaken on behalf of our equity, our fixed income, including sovereign and sub-sovereign issuers, and private assets investments.
- We regularly engage on individual bond issuances (green, social, sustainability, etc.) to ensure the investment is appropriate for our clients, and with sovereigns on material ESG issues that may impact the characteristics of sovereign bonds. Within our private debt business, we engage corporate borrowers on a wide range of ESG characteristics and apply strict environmental standards to our real assets portfolios. We also actively engage with public policymakers, helping them shape the markets in which we invest and the rules that guide and govern company behaviors, with a particular focus on corporate disclosure, climate policy, and corporate governance.

Our policy framework to address PAIs based on our RBC, Better Than Benchmark (or equivalent) on ESG Score with minimum coverage and engagement is applied to most of our Article 8 and 9 funds, at the exception of specific cases due to the dependency of the strategy on external actors (for instance ETFs which depend on external indices or funds of funds which depend on external funds).

Identifying and assessing principal adverse impacts

Data sources

Our ESG research analysis and findings are independent and based on a wide variety of sources not limited to ESG data providers. They include the knowledge we gain from participating in various investment forums and communities, our relationships with academic institutions and aspects of civil society (a list of the initiatives we participate in is available here: [Memberships and pledges](#)). With respect to market data providers, we select them using a two-step due diligence process. Our Quantitative Research Group begins by analysing providers' data sets, which includes examining the coverage of data and its quality, and a statistical review of estimation methodologies, among other items. At the same time, the Sustainability Centre performs a qualitative review of methodologies used and the relevance of selection criteria.

¹⁷ The Governance and Voting policy is also included in the Stewardship policy.



Our market data team oversees governance related to the relationship with the provider, and as part of this process, we perform an annual review of our market data contracts.

Our external specialised providers and what they offer are as follows:

- Sustainalytics provides us with raw data metrics that we use selectively to feed our ESG scoring model and PAI reporting. We also use this provider for preliminary UNGC analysis, controversies offerings, and research related to PAI metrics.
- Trucost, CDP, Maplecroft, Bloomberg, TPI, SBTi and Climate Action100+: we use these data providers for our climate change and physical risk analysis. Bloomberg and Trucost also provide us with Scope 1 and 2 carbon emissions data. Trucost provides us with the Scope 3 data.
- CDP also provides us with underlying data for selected PAI metrics.
- CDP, Trucost, Forest 500, SPOTT, and Iceberg Data Lab provide us with deforestation and biodiversity metrics we use to assess and report on the biodiversity footprints of our portfolios and holdings.
- ISS, Glass Lewis and Proxinvest provide us with their governance research, data to feed our ESG scoring model, and selected PAI metrics.
- Beyond Ratings provides us with data and research used in our ESG sovereign research and scoring framework.
- FactSet provides us with financial and enterprise value data.
- ESG and mainstream brokers provide us with research papers and other market information.

When information is not readily available

For only a few PAIs, we already had data readily available through our existing ESG research. Therefore, we initiated a comprehensive research and data selection project in 2022 in order to assess PAI data solutions from different providers.

In case the level of disclosure of some PAIs is very low, we have considered estimated data from data providers. Our priority has been to rely on reported data only. However, in a very limited number of cases where we deemed the data quality is sufficient, we have been relying on estimates. This contributes to limit margin of errors of the methodologies used.

In addition, we have been engaging with some data providers to further improve the data quality of some PAIs.

Through our rigorous data provider selection process and ESG Research analysis we strive to ensure the best level of data quality to assess the PAIs. Limitations related to quantitative data are detailed in the column “explanation” of the table above.

In addition to the quantitative reporting of PAIs at BNPP AM Europe level disclosed in this document, we also choose to disclose at fund level the quantitative values of some of the PAIs, depending on the data coverage we reach for each fund. While our calculation methodologies are consistent for each PAI between our entity report and our fund-level European ESG Templates (EETs), in some cases we report data in this entity level report which is not reported in EETs. The reason for this discrepancy relates primarily to effective data coverage issues at fund level.



Engagement policies

Since January 1st, 2026, and following the combination of BNPP AM, AXA IM and BNPP REIM, we are applying our new [2026 joined Stewardship Policy](#) and [2026 joined Voting Policy](#), applying to the eligible investment portfolios of whole scope of BNPP AM (including legacy AXA IM and BNPP REIM portfolios). As long-term investors, we see stewardship as a core fiduciary duty and instrumental to delivering sustainable financial returns to our clients. We combine voting, issuer engagement and public policy advocacy to influence companies and governments to help shape sustainable and equitable economies.

Promoting good sustainability standards across all types of issuers and holdings is essential both to upholding our ownership responsibilities and protecting and enhancing clients' interests. We are committed to contributing to a successful energy transition, healthy ecosystems and greater equality in our societies, as well as to advancing issuers' performance on governance and on social and environmental topics. To ensure that our activities are effective, consistent, and support our objectives and duties as fiduciaries, they are not only rooted in our GSS but also codified in, which incorporates our approach to engagement across asset classes, our public advocacy framework and our detailed Voting Policy. These two policies will be reviewed and revised annually and approved by our Stewardship Committee, and are available on our website: [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate English](#)

References to international standards

Since January 1st, 2026, and following the combination of BNPP AM, AXA IM and BNPP REIM, adherence to responsible business codes & internationally recognised standards has been consolidated under the BNPP AM banner and is detailed in the Membership & Pledges document available on the BNPP AM website (see BNPP AM Sustainability Information): [Our sustainability policies and reports - BNP Paribas Asset Management - Corporate English](#)

In connection with the publication of the new BNPP AM Global Sustainability Strategy (GSS) later in 2026, BNPP AM's net zero, biodiversity & equality roadmaps will also be updated, notably with new net zero targets defined on the new global scope of BNPP AM, including the legacy scopes of AXA IM and BNPP REIM, with the objective to remain aligned with the best and most relevant internationally recognized standards.

Historical comparison

Historical comparison is technically available for 2022, 2023, 2024 and 2025 since this is our fourth year of reporting. This document focuses on financial year 2025 and 2024, 2022 and 2023 data is available on-demand.

We observe a stable trend for most of the PAIs, with PAI performance being very similar between 2024 and 2025. For few PAIs, we note a slightly improved performance which is encouraging though this trend needs to be confirmed throughout the years. For PAI 1 (total GHG emissions), PAI 2 and PAI 3, we have two main changes occurring in 2025 compared to previous years. Due to a change in data provider from CDP data to Trucost data there is now estimated data available in addition to the reported data. As a result of this change, the effective data coverage has increased from low to medium, which makes the figures on Scope 3 emissions more meaningful. Given this data provider change, we also only calculated the relevant figures for above mentioned PAIs on a rebased basis as we no longer assume missing values to be 0.

Regarding PAI 18 we observe a significant decrease in the 2025 reported number. This delta can be explained by the fact that our portfolios have less exposure to real estate projects compared to previous years.



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